

BUDGET LETTER

SUBJECT: INITIAL SCHEDULE 10RS (SUPPLEMENTARY SCHEDULES OF REVENUES AND TRANSFERS)	NUMBER: BL 11-22
REFERENCES:	DATE ISSUED: August 15, 2011
	SUPERSEDES: BL 10-22

TO: Departmental Budget Officers
Department of Finance Budget Staff

FROM: DEPARTMENT OF FINANCE

This first pass of Schedule 10Rs is to collect past year revenue information. Departmental Budget Officers will receive a hard copy of this Budget Letter with Schedule 10Rs attached.

The Schedule 10Rs are provided to departments to report General Fund and Special Fund revenue and transfer data for the preparation of the Governor's Budget and other special budget processes.

Deadlines and Deliverables

September 2, 2011	Departments submit updated initial past year Schedule 10Rs to the Department of Finance (Finance) with final past year information.
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Departments must review, update, and submit Schedule 10Rs with final past year information to their Finance budget analyst by September 2, 2011. Upon receipt from departments, Finance analysts will review the Schedule 10Rs immediately and forward them to Financial Operations on a flow basis. Data for the past and current years is pre-posted on the Schedule 10Rs based on the latest information in the Finance Revenue System. Do not change current year information or provide budget year information for this pass, this information will not be used by Finance. Schedule 10Rs for current and budget year information will be distributed and collected at a later date.

Use the following special reminders in completing the Schedule 10Rs:

A. Rounding

All revenue and transfer amounts must be rounded to the thousands.

B. Data for the Past Year (2010-11)

1. All past year Schedule 10R data should tie to the year-end financial statements reported to the State Controller's Office (SCO). Revenue data, excluding transfers and loans, should agree with the Final Statement of Revenue, Year-End Statement No. 4. **Attach an explanation for any differences due to timing or other factors.**
2. Post year-end data from departmental records on the Schedule 10R. CALSTARS agencies may use the automated CSTARQ26 - Year End Statement of Revenue report to post to the Schedule 10R.
3. Finance will reconcile General Fund revenue data from the Schedule 10Rs with revenue data reported by the SCO. If adjustments are necessary to reconcile amounts reported to Finance with

amounts reported to the SCO, you may be asked to submit a revised Schedule 10R or submit revised financial statements to the SCO.

C. Nongovernmental Cost and Bond Funds

Finance no longer requires Schedule 10Rs for nongovernmental cost and bond funds. Any revenues, transfers, or loans for nongovernmental cost and bond funds should be manually added to the Fund Condition Statement if one is required to be printed in the Governor's Budget for the fund.

D. Loans and Loan Repayments

1. All loans and loan repayments to/from the General Fund and to/from special funds will be treated as revenue transfers and shown on the Schedule 10R.
2. The authority (e.g., Budget Act Item, provisional language, legislation, etc.) for loans and loan repayments must be cited on the Schedule 10R for both the fund providing the loan and the fund receiving the loan.
3. The Schedule 10R authority cited must begin with the word "loan" to indicate that the amount is a loan rather than a transfer. For loan repayments, the Schedule 10R authority cited must begin with the words "loan repayment."
4. Report interest revenue attributable to loans in the revenue section of the Schedule 10R; this revenue is classified in the Uniform Codes Manual (UCM) as Interest Income from Interfund Loans, Revenue Code 1505.
5. Do not report interest expense on loans on the Schedule 10R; this cost is an expenditure classified in the UCM as Interest, Object Code 441602 (which must be included in planning estimates and Schedule 10s).
6. Finance analysts must coordinate with other appropriate analysts if loans affect funds in other budgets.

E. Past Year Data is Final

Past year Schedule 10Rs should be final when they are submitted to the Finance budget analysts by September 2. No changes will be accepted after the original submittal unless approved by Finance budget analysts and Finance's Cash Management Unit. Only significant changes will be considered after the original due date. Please provide an explanation of the necessity for the change, including a statement that the change is consistent with year-end data submitted to the SCO.

If you have any questions regarding Schedule 10Rs, please call your Finance budget analyst.

/s/ Veronica Chung-Ng

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